



## STAFF NOTES:

# Soviet Union Eastern Europe

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**SOVIET UNION - EASTERN EUROPE**

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Soviets Take the Low Road in Laos

The new Soviet aid commitment to Laos is surprisingly parsimonious, and all of the projects it encompasses are to be constructed in the communist-controlled sector. There had been indications that the Soviets were considering substantial new aid oriented toward visible support for the new coalition government. For the moment, however, Moscow apparently does not intend to try to compete with the Chinese and the North Vietnamese, both of whom have recently concluded larger and more highly publicized aid agreements with Vientiane.

The new Soviet protocol was worked out in Moscow late last month by a Laotian aid-seeking mission headed by communist Economics Minister Soth Phetrasy.

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The Soviets have given political support to the coalition government of Prime Minister Souvanna Phouma and it was assumed that Moscow would offer the coalition sizable economic aid. Speculation along this line increased when word got out that Soviet Deputy Foreign Minister Firyubin would visit Laos in late November following a conference of Soviet ambassadors in Singapore. Firyubin postponed the visit, however

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Throughout December, Soviet embassy officials in Vientiane continued to talk in terms of aid projects that would clearly demonstrate Moscow's support of the coalition government. Following Soth Phetrasy's visit to Moscow, however, Soviet officials in Laos have become more reticent on aid matters, and talk of rescheduling Firyubin's visit has died away. A recent visit of a Soviet party delegation to the Sam Neua area may have been intended in part as a substitute for the promised Firyubin visit. According to extensive accounts in the Lao Communist media, the Soviet delegation received red carpet treatment during its stay from January 8-12. This suggests that relations between the Lao communists and the Soviets are still amicable.

Most Soviet material support for the Pathet Lao has to be funneled through North Vietnam. The Soviets have often expressed concern that the North Vietnamese will try to divert the supplies for their own use.

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The protocol will not be valid until it is ratified by the coalition government. Agreement is not likely to be reached easily because the protocol calls for the coalition to foot the bill on projects that will directly benefit only the communist side. At a meeting on January 15, the cabinet moved to postpone approval of the protocol until both the Vientiane side and the communists can consider it in detail.

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West European Communists Attack US

Twenty West European Communist parties issued a joint statement on Thursday attacking President Ford for what they alleged was an affirmation of US readiness to intervene in the Middle East. The statement urges "democratic forces" in Western Europe to rally against American efforts to impose its will on the area.

The substance of the statement is not particularly novel, although the quick coordination of position of the 20 West European parties without need for a meeting of emissaries is a new wrinkle. The West European parties have been in close consultation since meeting as a separate group in Brussels early last year, but until now they have focused their efforts on exchanging information on local experiences and formulating plans for regional conferences on such relatively non-controversial topics as agriculture, the status of women, and the prospects for regional economic cooperation.

The West Europeans may have been encouraged to embark on this current more venturesome course by the outcome of the Warsaw and Budapest European Communist meetings, which endorsed efforts for closer cooperations between Communist and "progressive" forces in Europe. The issue of possible American intervention in the Middle East evoked sharp criticism across a wide spectrum of West European public opinion.

Since Tass reported it and parties loyal to Moscow signed it, Moscow clearly approved, and may have even inspired, the statement. The Soviets probably view the joint statement as a reasonably harmless way of demonstrating that the ideological struggle should continue even under detente. They may also welcome this display of Communist unity--a commodity that has been in conspicuously short supply--even if on a regional basis.

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Soviet Leaders Reportedly  
Split on Emigration

Late last month a Jewish activist told a US embassy officer in Moscow that he had heard there was a division of opinion in the Soviet leadership on the emigration issue. The information had passed through several hands and the access of the ultimate source cannot be verified, but the opinions expressed mesh with some other recent reporting.

The Jewish activist said

the debate of the top leadership on emigration began in earnest when it became clear that the US Congress would pass the trade bill. No one in the leadership reportedly argued for entirely free emigration for all Soviet citizens, but three sets of opinion formed on the question of Jewish emigration.

As the story goes, Brezhnev and Premier Kosygin were willing to "make gestures" and to show some flexibility. Senior party secretary Suslov and his "fellow ideologues" were opposed to any show of flexibility, and were in fact favoring a cutoff of virtually all emigration. Finally, a purported "military group" was in favor of permitting all Jews who wished to leave to do so. This last group was said to have felt that security risks would be reduced if this dissatisfied element of the population were allowed to leave. To support its claims, the "military group" reportedly referred to the "Polish example," presumably an allusion to the exodus of Jews from Poland after the 1967-68 internal political crisis.

If such a threefold division of opinion did develop among the Soviet leaders, it is plausible that Brezhnev and Kosygin would have taken a middle

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ground between the two extremes. Brezhnev, at least, is known to have adopted a similar attitude on some other controversial issues in the past. Suslov and other conservatives who are lukewarm on detente might indeed have opposed significantly eased emigration for ideological and other reasons.

It is the attitude ascribed to the alleged "military group"--and by implication, the internal security apparatus, the KGB--that is intriguing. There is nothing to confirm this information, but in a private conversation on December 24 with the US defense attache in Moscow, the chief of the Main Political Directorate of the Army and Navy, General A. A. Yepishev, expressed views that could be inferred to support the existence of the "military" attitude. Taking the line that it was not the principle of emigration that offended "the Soviet people," but rather the idea that the US should try to "interfere in the internal affairs of the USSR," Yepishev commented that "the Soviet Union would be glad to get rid of all the Jews who wanted to leave."

Last fall, a prominent Soviet dissident, Mikhail Agursky, told a US embassy officer about what he believed to be the KGB's often ambiguous but generally pragmatic attitude toward dissident activities. Agursky observed that the KGB appeared to be tolerating and even encouraging some dissident activities, particularly those of the Russian nationalists. Since many of the Russian nationalists reportedly strongly favor Jewish emigration, the attitudes ascribed to the KGB by Agursky are not inconsistent with the alleged pro-emigration position of the leadership's "military group."

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Yugoslav Party Journal Condemns  
Bulgaria on Macedonian Question

The current issue of *Komunist*, the Yugoslav party weekly, gives the official green light to an all-out propaganda campaign against Bulgaria's attempts to "denationalize" and assimilate its Macedonian minority. A sharp attack on Sofia almost certainly constitutes party endorsement of the drive, and signals the Yugoslav regional press that it can now join the fray. Several lesser publications in Belgrade and the Macedonian Republic have been sniping at Bulgaria for some time.

The *Komunist* article sharpens the tone of the previous--unofficial--commentaries by pronouncing that "no noticeable progress can be made" in relations with Bulgaria because of Sofia's policy toward the Macedonian minority. Attacking Bulgarian pressures as "senseless" and anti-Marxist, the party weekly said that "there can be no dilemma or compromise regarding the existence of a Macedonian minority." It called Sofia's stand "a grave insult to the motherland people"--that is, to Yugoslavia's own Macedonian citizens--and linked the current policy to Bulgarian imperialism of the pre-Communist era.

The polemic is evidently a direct outgrowth of Yugoslav reaction to the discovery of the Soviet-supported Cominformist plot last spring. Prior to that time, Belgrade had muted its differences with Moscow and its Warsaw Pact allies.

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Belgrade will, of course, avoid open polemics with Moscow in order to preserve as much as possible of the Brezhnev-Tito rapprochement. The Yugoslavs nevertheless want to show that the limits of their accommodation have contracted, and the Bulgarians--Moscow's most slavish allies--are the most convenient whipping boys. Belgrade may also see in the anti-Bulgarian campaign an opportunity to show its own Macedonian minority how much better off it is than its brothers across the border.

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A Russian Nationalist's Lament

25X1 [redacted] of the Soviet embassy in Washington, recently spoke at length to a US official about nationality problems in the USSR. He expressed considerable resentment at what he felt was discriminatory treatment of the Russian Republic--particularly in economic matters--in favor of the backward minority areas. This feeling of resentment has become increasingly widespread among Russians in recent years and now more than before seems to be making itself heard in policy-making circles.

25X1 [redacted] noting that, unlike the West, the Soviet Union can control the price of all commodities. This can create problems, he said. For example, the price potato-growers get for their crops, in comparison to the amount of work involved, is far less than the price received by growers of cotton and citrus fruits.

25X1 [redacted] said that, in effect, the cotton and citrus growing areas--the Caucasian and Central Asian republics--are being enriched at the expense of the potato-growing areas. This system had made sense in the early years of the Soviet Union, he said, but now after 50 years, the other republics are sufficiently developed, and there is no further need for "us Russians" to be discriminated against.

25X1 [redacted] illustrate the human side of a theoretical debate. Toward the end of 1972, authoritative spokesmen began to stress that the goal of bringing the former backward minority areas of the Czarist empire up to the same level of economic and cultural development of the more advanced Russian areas had been achieved: henceforth economic decisions could be based solely on economic criteria, reflecting the interests of the country as a whole.

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On the subject of minority relations [redacted]  
[redacted] echoed other Soviet sources in as-  
serting that nationalism was on the increase. In  
the early years, he said, when the minorities had  
been poor and uneducated, they had respectfully  
let the Russian "big brothers" run things, but now  
they were becoming confident and self-assertive.  
The increase in Russian nationalism, he maintained,  
is a reaction.

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Czechoslovakia: Planning Problems Ahead

Czechoslovakia is still meeting most of the goals of its 1971-1975 Plan, but the country will face serious economic problems in the future because of rapidly rising import prices. National income, industrial output, and agricultural production grew at a slower rate in 1974 than in 1971-1973. Production in major industrial export sectors--machine building and chemicals--was below plan, and for the second year in a row, so was industrial plant construction.

The major goals of the current five year plan are modest, however, and Prague should meet them with little trouble by next December. As a result, the leadership will be able to claim the first fulfillment of a five year plan since 1960.

Officials blame the record hard-currency deficit of about \$400 million on spiraling import prices. Higher import prices also contributed to rising investment costs and some production cutbacks. For example, textile targets were reduced earlier this year because of higher prices for imported cotton and synthetic fiber. Prague attempted to slow the rising deficit by raising its export prices, but the result was apparently a curb on the growth of export volume.

Higher prices for Soviet raw materials are due in 1976, and, with a growing need for Western raw materials, imports costs will continue to rise. Since exports will probably increase relatively slowly, the hard-currency trade deficit will continue to grow.

Because Prague is apparently committed to holding the line on retail prices, the rapid growth of consumer

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goods imports from the West has added to the strain on the budget. The Czech consumer is on a buying binge and is reducing his savings to finance his purchases. Retail trade accelerated for the third year in a row.

Prague is now debating possible economic remedies, which will most likely be included in the 1976-1980 Plan. The proposals include an across-the-board wholesale and retail price reform, more decision-making power for enterprises and greater emphasis on export sectors when purchasing Western technology.

Czechoslovakia: Economic Growth Rates

(Percent)

	<u>Average</u> <u>1961-70</u>	<u>Annual</u> <u>1971-73</u>	<u>Plan</u> <u>1974</u>	<u>Actual</u> <u>1974</u>
National income	4.8	5.5	5.3	5.3
Industrial production	6.0	6.3	5.8	6.0
Agricultural production	2.1	3.9	3.8	3.0
Money income	2.3	5.9	5.2	4.3
Retail trade	5.6	5.4	5.6	7.3

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